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## **CHINA E-LEARNING GROUP LIMITED** **中國網絡教育集團有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

(Stock Code: 08055)

### **SUPPLEMENTAL AGREEMENT IN RELATION TO PROPOSED ISSUE OF CONVERTIBLE NOTES EXTENSION OF LONG STOP DATE**

Reference is made to the announcements of the Company dated 9 May 2014 and 20 May 2014 (the “**Announcements**”) in relation to the Subscription of the Convertible Notes in the aggregate principal amount of HK\$42,399,932 to be issued by the Company pursuant to the Subscription Agreements. Unless the context otherwise requires, capitalized terms and expressions used herein shall have the same meanings as those defined in the Announcements.

#### **SUPPLEMENTAL AGREEMENT**

On 30 May 2014, the Company and each of the Subscribers entered into a supplemental agreement to amend certain terms of the Subscription Agreement (the “**Supplemental Agreement**”).

Pursuant to the Subscription Agreement as amended by the Supplemental Agreement, it is agreed that:

- (1) Where, following any corporate actions of the Company, including but not limited to consolidation, reduction or subdivision of Shares, capitalization of profits or reserves, rights issue, or issue of convertible securities, warrants or options carrying the right to subscribe for Shares, results in an adjustment to the Conversion Price in accordance with the terms of the Convertible Notes, and as a result, the number of the Conversion Shares to be issued would exceed the maximum limit on the allotment and issue of Shares under the General Mandate, the Company shall be entitled to give notice thereof to the Noteholders to satisfy any exercise of the Conversion Rights in excess of the maximum limit on the allotment and issue of the Shares under the General Mandate to which the Noteholders would have been entitled (the “**Excess Conversion Rights**”) upon exercise of the Conversion Rights in cash (the “**Cash Payment**”) by reference to the closing price of the Shares on the trading day immediately preceding the date of the relevant conversion notice, and the Noteholders shall accept the Cash Payment as full settlement of the Excess Conversion Rights.

- (2) The deadline for fulfilment of the Conditions Precedent (“**Long Stop Date**”) has been postponed from 30 May 2014 to 30 July 2014. In the event that the Conditions Precedent are not fulfilled on or before the Long Stop Date, the Subscription Agreements shall terminate and cease to have any legal effect.

Save as disclosed above, all other terms of the Subscription Agreements remain unchanged and continue to be in full force and effect.

## **GENERAL**

The Board wishes to clarify that the Company has a mechanism in place to ensure that the adjustments to the Conversion Price would not result in the number of the Conversion Shares to be issued exceeding the maximum limit on the allotment and issue of Shares under the General Mandate.

If the Company contemplates that any corporate action intended to be taken by the Company, including but not limited to consolidation, reduction or subdivision of Shares, capitalization of profits or reserves, rights issue, or issue of convertible securities, warrants or options carrying the right to subscribe for Shares, would trigger an adjustment to the Conversion Price and as a result, the number of the Conversion Shares would exceed the maximum number of Shares issuable under the General Mandate, the Company will not take such corporate actions unless (i) it has, before implementing such corporate actions, already obtained the Shareholders’ approval for granting a specific mandate at a general meeting of the Company to satisfy the Excess Conversion Rights by allotting and issuing the excess number of the Conversion Shares that would be issuable under the General Mandate upon exercise of the Conversion Rights in respect of the Convertible Notes at the adjusted Conversion Price; or (ii) it has assessed and is certain that the Company has sufficient funds to satisfy the Cash Payment for any Excess Conversion Rights.

By Order of the Board  
**China E-learning Group Limited**  
**Yuan Wei**  
*Executive Director*

Hong Kong, 30 May 2014

*As at the date of this announcement, the Board comprises one executive director, namely Mr. Yuan Wei; one non-executive director, Mr. Li Xiangjun; and three independent non-executive directors, namely Dr. Huang Chung Hsing, Mr. Li Qunsheng and Ms. Li Ya Ru Nancy. This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or in this announcement misleading.*

*This announcement will remain on the GEM website at [www.hkgem.com](http://www.hkgem.com) on the “Latest Company Announcements” page and the website of the Company at [www.chinae-learning.com](http://www.chinae-learning.com) for at least 7 days from the date of its publication.*